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IN THE MATTER OF The Public Inquiries Act, being  
Chapter 258 of The Revised Statutes of Alberta,  
1955, and Amendments thereto; and,

IN THE MATTER OF an Inquiry by a Royal Commission  
into the matters set out in Order-in-Council  
861/67 respecting the use or attempted use by  
Edgar W. Hinman of his office as a member of  
the Executive Council of Alberta.

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PROCEEDINGS BEFORE  
THE HONOURABLE MR. JUSTICE  
W. J. C. KIRBY

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C. W. Clement, Esq., Q.C.,	Commission Counsel
S. A. Friedman, Esq., Q.C.,	Departments of Government
G. H. Steer, Esq., Q.C.,	Mr. J. Superstein
D. H. Bowen, Esq., Q.C.,	Liberal Association of Alberta
J. D. Hill, Esq.,	Progressive Conservative Party of Alberta

W. ALAN SHORT, ESQ.,  
Clerk to the Commission.

VOLUME No. 55 .....

DATE June 4, 1968 .....

(Pages 5964 - 6014)

*Supreme Court Reporters*  
EDMONTON, ALBERTA





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1-P-1  
W. T. Madge - Clement Ex.

I N D E X

V O L U M E 55

June 4, 1968

WITNESSES:

WILLIAM PAUL MADGE

Examination by Mr. Clement 5964

SAMUEL HANEN

Examination by Mr. Clement 5970

Examination by Mr. Hinman 6000

JAKE SUPERSTEIN (Recalled)

Examination by Mr. Hinman 6009

Examination by Mr. Clement 6010



1-P-1  
W. P. Madge - Clement Ex.

PROCEEDINGS before the Honourable  
Mr. Justice W. J. C. Kirby, this  
4th day of June, A. D. 1968, at  
9:00 o'clock in the morning, at  
the Court House, in the City of  
Edmonton, Province of Alberta.

THE COMMISSIONER: I note that we have a class of  
students here from the O'Leary High School, grade eleven I  
understand. The proceedings this morning might be rather  
short. I hope that you find them instructive. Mr.  
Clement.

MR. CLEMENT: Thank you sir. I call Mr.  
Madge.

WILLIAM PAUL MADGE, sworn, examined by Mr. Clement:

THE COMMISSIONER: Your first name?

A William.

THE COMMISSIONER: Thank you, you may sit down  
there.

A Thank you.

Q MR. CLEMENT: Mr. Madge, your home is in Milk  
River in the Province of Alberta?

A That is correct.

Q And how long have you lived there?

A Born there.

Q And what is your business?

A Implement dealer.

Q And how long have you been in that business?

A Twenty-three years.

Q Now, the purpose in calling you to assist the Inquiry Mr.







1-P-2

W. P. Madge - Clement Ex.

Q (Cont.) Madge is in relation to the acquisition by you of shares in Alberta West Pulp and Paper Company. Would you tell Mr. Commissioner the circumstances in which you first became interested in that company?

A Well, Mr. Harvey Wright who I have known all my life came down and asked me if I was interested in getting in on a pretty good deal.

Q Mr. Harvey Wright was then living in that district?

A No, he wasn't living there then although his wife was there.

Q Well, how had you known him?

A Well, he was raised in that district.

Q I see?

A And he came down and talked to two or three of us and proposed that we purchase some Alberta West stock together and he had made arrangements to borrow the money and he needed some security.

Q Well now Mr. Madge, this was the first time you had heard of Alberta West?

A Firmly, yes.

Q Yes, and what did Mr. Harvey Wright tell you about the company?

A Well he said it was a pulp and paper company that was going to put a plant up at Whitecourt and they needed a little extra money right away before they got the -- they were trying to borrow I think thirty or thirty-five million dollars from Prudential Life at the time and they needed a little money in





1-P-3

W. P. Madge - Clement Ex.

A (Cont.) their coffers to proceed with their plans.

Q Yes, did he give any further description of what was involved in the project?

A Well, he explained it, as near as, as much as I can remember.

Q I suppose he made it look good?

A Oh yes.

Q And so you became interested?

A Yes.

Q Along with two or three others in your neighbourhood, did you say?

A Yes.

Q And did Mr. Wright state that he held shares himself then or was this a little syndicate to acquire shares?

A Well I think he had shares of his own.

Q But this was to form a syndicate to acquire additional shares?

A Additional shares, yes.

Q Not for him to unload some of the shares he had himself?

A No, no, these were additional shares.

Q I see and then you came to an agreement to buy some?

A That is right.

Q And up to this point had the name of Mr. Edgar Hinman been mentioned?

A Well, he mentioned that if I wanted to find out anything about them, to either phone him or Mr. Davey at the Treasury Branch.

Q The name I used was Hinman?

A Yes Mr. Hinman, he mentioned that I could phone him and he would probably know something about it too.





1-P-4

W. P. Madge - Clement Ex.

Q I see, and did he give you any thought that Mr. Hinman had an interest in Alberta West?

A No.

Q It was just that if you wanted some information Mr. Hinman would be in a position to give you some?

A Yes.

Q Is that as far as it went?

A That is as far as it went.

Q Yes. What happened after that?

A Well I phoned Mr. Hinman and he said it looked like it would be a pretty good thing, a pretty good company to get into.

Q Well now, would you give us as closely as you can recall what passed on that conversation? You phoned I take it from Milk River?

A I phoned, yes, Mr. Hinman and asked him what he thought of me buying some of these shares with Harvey Wright and he said it looked like it would be a good venture to get into.

Q Was that all it amounted to?

A Yes.

Q No discussion of detail?

A No.

Q What was in your mind in phoning Mr. Hinman?

A Well, I didn't -- I wanted to take somebody's advice other than Harvey Wright's and, being in the government I thought he would probably know a little bit about it, with the leases and everything.





1-P-5

W. P. Madge - Clement Ex.

Q With the leases and everything?

A Well, the government lease, the timber leases and that.

Q That is to say you thought an official of the government would know whether these leases existed and if so whether there was merchantable timber on them and that sort of thing?

A Yes.

Q You didn't ask Mr. Hinman as to whether he was a shareholder or not?

A Never entered my mind.

Q Never even considered that he might be?

A Never thought of it.

Q Had Mr. Hinman at any stage told you he was not a shareholder?

A Oh yes, definitely.

Q During the course of this conversation?

A No, no, later on.

Q Later on, I see, and Mr. Hinman then I take it didn't urge you to buy any shares, he just answered such questions as you put to him?

A Yes, I phoned him.

Q Well yes, I understand that.

A No, he didn't urge me, it was nothing to him.

Q Well, what happened later then, what discussions did you have?

A Well, whenever I came to Edmonton I would phone somebody to try and get some information to see if we couldn't find out what was happening to our money and I would get hold of Mr.





1-P-6

W. P. Madge - Clement Ex.

A (Cont.) Hinman and he would tell me a little bit about what was happening, so far as he knew. I talked to Gordon McNab and he would tell me a little bit but generally he was off to Chicago or New York or somewhere trying to get the company on its feet, I guess.

Q Trying to get the finance?

A Yes.

Q And then what ultimately happened Mr. Madge?

A MacMillan Bloedel bought out the company and we got our money back.

Q You had nothing further to do with Mr. Hinman beyond what you said?

A No, I just said I talked to him different times when I came to Edmonton, on other business.

Q Merely for the purpose of seeing what information you could get?

A Yes, that's all.

Q And as to how things were progressing?

A Yes, but he told me several times that he didn't have any shares in Alberta West.

Q And you hadn't bought your shares then because of Mr. Hinman?

A No.

Q Thank you, will you answer my friends.

THE COMMISSIONER:

Thank you Mr. Clement. Mr.

Friedman?

MR. FRIEDMAN:

No questions, sir.



1-P-7

W. P. Madge - Clement Ex.  
S. Hanen - Clement Ex.

THE COMMISSIONER:

Mr. Steer?

MR. STEER:

No questions.

THE COMMISSIONER:

Mr. Hinman?

MR. HINMAN:

No questions.

THE COMMISSIONER:

Thank you Mr. Madge.

A Might I go now?

MR. CLEMENT:

Yes.

THE COMMISSIONER:

You are excused.

MR. CLEMENT:

I overlooked mentioning to Your

Lordship at the opening, sir that Mr. Hill is unable to be with us this morning, he has a commitment which prevents him from being here and I am afraid Mr. Bowen is in the same position. However, I doubt whether they would have had much to cross-examine Mr. Madge on. In any event.

THE COMMISSIONER:

No. Have we any more witnesses

Mr. Clement?

MR. CLEMENT:

Mr. Hanen is here.

THE COMMISSIONER:

Is he here?

MR. CLEMENT:

I have scheduled him for tomorrow

as I thought of a matter of necessity, but he was good enough to come here this morning and I think that will conclude the evidence.

THE COMMISSIONER:

Fine.

(WITNESS RETIRES.)

MR. CLEMENT:

Mr. Hanen?

SAMUEL HANEN, sworn, examined by Mr. Clement:





1-P-8

S. Hanen - Clement Ex.

THE COMMISSIONER: Your first name Mr. Hanen?

A Samuel Hanen.

THE COMMISSIONER: Thank you.

Q MR. CLEMENT: Mr. Hanen, you make your home in Calgary?

A Yes.

Q How long have you lived there?

A Since 1909.

Q What is your business?

A I have a farm.

Q A farmer?

A That's right.

Q You have gone into business ventures from time to time?

A Yes. That is the main thing, I started with farming.

THE COMMISSIONER: Would you speak up just a little?

A I started with farming.

Q MR. CLEMENT: Do you actively carry on farming still?

A I still have my farm, yes.

Q And in addition to that, you have a number of business interests?

A That is right.

Q Mr. Hanen, at some point of time you met Mr. Edgar Hinman?

A Yes.

Q About when was that?

A I don't remember the date but it is quite a while, that would be in 1961 I think but I wouldn't say, my memory is not that





1-P-9

S. Hanen - Clement Ex.

A (Cont.) good but I know it is quite a long time.

Q How did you come to meet him in the first place?

A Through Mr. -- he used to be -- he bought a store --

Q If I stand over here a little further Mr. Hanen you will have to talk loud enough for me to hear and that will help the Reporter.

A All right. Mrs. Hanen bought a store in Camrose and there was by name Mr. Hymie Cohen was there and he introduced me to him and that is how I met him.

Q So that your first meeting with Mr. Hinman was in Camrose?

A No, in Calgary but he brought him over, he was helping us that time in Calgary, after we bought him out he worked for Mrs. Hanen there.

Q Was this merely a social call?

A That is all it was at that time.

Q Then it progressed into some business ventures together?

A No, there was no business ventures together at all.

Q You became interested in a project for the construction of apartments at Leduc?

A No, as far as that was consider, that is all that was happened to that. Mr. Hinman phoned me up and said Mr. Walker needed some money and it was \$875.75 and I sent him a cheque and that is all I know and I didn't know where the apartments, if theywere in this City or in Calgary or wherever they were but I know how it is Leduc because I pass by them.

Q Did you think Mr. Walker was borrowing money from you?



1-P-10

S. Hanen - Clement Ex.

A I don't know what I was thinking at the time but I know I sent him a cheque for \$875.00.

Q Did you know that ultimately you landed up as a shareholder of Reo Investments Limited?

A Not at that time.

Q You found out later?

A That is right, about four years later when the horse was dead already.

Q Yes, I was wondering why you would invest in shares in a horse that was dying about 1963. Mr. Walker I understand is no longer living in Calgary?

A No, I understood he lives now about forty miles from Salt Lake City. I have forgot the name of the little town.

Q He left Calgary a number of months ago?

A Oh yes, it must be about six months or more, I wouldn't say for sure now but I know he wasn't there for quite a while.

Q And it is your understanding that he is making his permanent home down there in Utah?

A That is right.

Q And not expected back?

A No.

MR. STEER: Did you mean \$875.00 when you said or eighty-seven fifty?

A What's that?

MR. STEER: Did you mean \$875.00?

A No, it is \$8,750.00 I think it was, I wouldn't say for sure but this is what I in my mind was a cheque.





1-P-11

S. Hanen - Clement Ex.

Q MR. CLEMENT: Well, you took over in fact Mr. Walker's position in this venture although perhaps you didn't realize it?

A No, I didn't realize I was taking over anything at that time.

Q How did Mr. Hinman come to get in touch with you about Walker's need for money, do you remember?

A No I don't recollect, it is quite a while but I don't recollect but it went somewheres, that was quite later after I met Mr. Hinman.

Q Well yes, you put the time of meeting Mr. Hinman at about 1960 or '61?

A That's right.

Q And this transaction so far as the company records are concerned took place in 1963?

A Yeah, well, that was a couple of years and at that time I knew Mr. Hinman well, you know what I mean, and he recommended it and I thought it was rather good.

Q You knew him well enough?

A To take his word, whatever he recommended I thought was good.

Q And he recommended that you lend \$8,750.00 to Mr. Walker?

A No he didn't say that, he said, these are the words he used: "Mr. Walker needs some money, will you help him out and give him the money and take over his --" I don't know how to say it, I don't know the words he used for it; "-- that I will be in the same position as he him." Or something like that, whatever it was.

Q And that is all there was to that?





1-P-12

S. Hanen - Clement Ex.

A That is all there was to it.

Q Well normally you wouldn't go into a venture involving \$8,750.00 just on such a suggestion would you Mr. Hanen?

A No.

Q Why did you do it in this case?

A Because it was recommended by a friend and if a friend recommend I will go along.

Q I see, and were you looking then on Mr. Hinman as a friend?

A That's right.

Q Were you looking on him also as a Provincial Treasurer?

A No as a friend. As far as Provincial Treasurer, let's put it that prestige to a man of that calibre, I don't know how to express myself.



1-B-1

S. Hanen - Clement Ex.

THE COMMISSIONER:

Did the Reporter get that statement?

THE REPORTER:

Yes, I did, sir.

MR. CLEMENT:

Mr. Hanen, you bought shares I think in Alberta West Forest Products?

A Yes, I did.

Q Did you have any discussions or dealings with Mr. Hinman in respect of those shares that you bought in that company?

A If I recollect, it is quite a while, there was three of us in there and they, the way it was in that, there was Bill Tanner, Mr. Hinman and Mr. Superstein, there were three of them and they said they had a chance to buy a block of stock at a dollar, whatever they mentioned, and then later on I got through a direct, through a -

Q Later on you got what?

A Twenty thousand shares at a dollar sixty-five.

Q Yes?

A And it was I sent them a cheque for \$33,000.00.

Q You sent a cheque to Mr. Superstein, did you not?

A That is correct.

Q Were you dealing with Mr. Superstein?

A No, I was dealing that time through Mr. Hinman, he is the one that recommended me for those shares.

Q Well now, tell us what happened in that recommendation, did you phone Mr. Hinman up or did he phone you up, or what?

A No, he didn't phone me, I was happened to be there.

Q Where?





1-B-2

S. Hanen - Clement Ex.

A Mr., I don't remember the office now but it is somewhere in an office together, the three of us, or I will be the fourth one, I think Mr. Wright was at that time too.

Q In Calgary or in Edmonton?

A In Edmonton.

Q An office somewhere in Edmonton?

A In Edmonton, yes, I don't recollect now where it was.

Q And you don't recollect how you happened to come to that office?

A Yes, it was, if I can just think of it, it was something to do with Sun Life, I think Sun Life supposed to come in the picture, you know, you know Sun Life supposed to put up some money and they needed a half a million, they needed three million dollars from here. I got a letter from Mr. Hinman to raise a million and a half, and the bank was foolish or I was foolish, but I went to the bank and they give me a credit, a letter of credit for a million and a half, and I got it because the deal didn't go through so that I got my letter back again. That's how I got involved in it.

Q I see. Now, if I can just follow this then, Mr. Hinman wrote to you?

A No, didn't write to me.

Q Pardon?

A I don't recollect if he phoned me or something to that effect, that there was a deal going to need three million dollars, you see they were putting up twenty-seven and we need three million dollars for front money or whatever it was, so I went





1-B-3

S. Hanen - Clement Ex.

A (Cont.) to the bank and asked them for it and they gave it to me.

Q And were you going to put in -

A Yes, that's right.

Q - this million dollars?

A Million and a half, it was for a million and a half somewhere else come from.

Q And what were you going to get for your million and a half?

A Well, the underwriting the same as the rest of them, it was the same underwriting I would get same as Sun Life.

Q It was -

A The same as Sun Life would be.

Q The same underwriting as Sun Life?

A Yes, and -

Q That is to say, you would have mortgage security if Sun Life had mortgage security?

A No, no, I am getting stock, I was getting stock, not any securities.

Q Oh, I see, you were getting stock?

A Stock, whatever it is, if they underwrite it \$5.00 then I get it, get them at \$5.00, whatever they would underwrite for.

Q I see, and when you speak of underwriting then you are speaking of an underwriting of an issue of shares of the company?

A That's right, that's right, that's where I think it was.

Q Did the name Gairdner and Company crop up at all?

A Yes.



1-B-4

S. Hanen - Clement Ex.

Q And was Gairdner and Company trying to get Sun Life to subscribe for this block of shares?

A Well, something, I don't know for sure, I don't recollect how they worked it, but I know, if I remember right they told me that Max Bell was interested in the underwriting, Sun Life wouldn't do it unless they have what they call marketing, you know, to have the marketing.

Q Yes?

A And Max Bell was undertake to do it and then he backed out or whatever it is, and that is the whole deal went off.

Q Well then, as I follow you, Mr. Hinman spoke to you about this necessity for raising one million five hundred thousand dollars, and you came up to Edmonton to discuss it?

A No, I didn't come up to discuss it, they phoned me up or wrote a letter, I don't remember now, and I just went to the bank, I thought the bank wouldn't give it to me anyway, so that I will be a fine guy, but they went foolishly and they did give it to me, so I take it and so that -

Q The bank gave you a letter saying what?

A That there is a million and a half dollars laying for me in case the deal goes through.

Q Yes. Well, how did you come up to Edmonton and -

A Well, the bank sent that, the bank sent the letter, I didn't come down to Edmonton, I didn't have any conversation, the bank were interested, the Toronto Dominion Bank, east end.

Q Well now, let's see where I have gone astray, Mr. Hanen.

A All right.





1-B-5

S. Hanen - Clement Ex.

Q You have got the letter of credit from the bank as a result of a conversation with Mr. Hinman?

A Yes, let's say that.

Q Yes, I thought you had said then that after that you had a meeting with Hinman, Tanner and Superstein?

A No, no, that was later on in connection with that, with the stock, but not with that at all, not with that any more.

Q I see.

A That is had to do with the shares of Alberta West Products, and then I had more than that because after that I bought another bunch from some other fellow and -

Q Then I was misunderstanding you, Mr. Hanen, in the first instance

A You are not the only one because I couldn't express myself by right, so that is my trouble.

Q Well, I think if we just go slowly we will get there all right.

A All right.

Q In the first instance then you were being asked to contribute to the financing of the whole project to the extent of a million and a half dollars?

A That is correct.

Q And what you were to get for that million and a half dollars would be the same sort of thing -

A Whatever the underwriting would have, would be.

Q - as Sun Life?

A No, no, it is whatever the underwriting, Sun Life going to be, say five dollars, whatever the public going to get I supposed





1-B-6

S. Hanen - Clement Ex.

A (Cont.) to get too the same thing.

Q And you don't know whether that was shares or bonds or -

A No, shares, that's all, I know that.

Q It was shares?

A That's right, no bonds or nothing.

Q And that would then be an issue to the public of shares?

A That's right.

Q Yes, and that fell through, Mr. Max Bell was interested -

A That's right.

Q - and then he sort of dropped out and the whole thing collapsed?

A That's correct.

Q And did you go into this merely because of the conversation with Mr. Hinman?

A Yes.

Q That is the only reason?

A That's right.

Q Well, you must have thought there would be some profit in it for you?

A Oh, sure.

Q Did Mr. Hinman mention that there would be a profit in it for you?

A It sounded like it because if a thing like that, Sun Life going to raise twenty-seven million dollars, they must, they don't put up no money unless they are a hundred percent sure it is a good thing. On the strength of that I thought it was a good thing myself all the time.



1-B-7

S. Hanen - Clement Ex.

Q Well, do I understand you to say that if Sun Life was putting in twenty-seven million it would be good enough for you?

A That's right.

Q That was what motivated you?

A That's right.

Q Not what Mr. Hinman may have to say?

A No, I mean, this is what, I mean to say Mr. Hinman give me the start and that's motivated the other thing, that Sun Life was interested in it.

Q Yes. Now, after that folded up -

A Yes.

Q - what happened next?

A I don't remember what happened next, I know next -

Q You said a little later on you did get some shares?

A I wouldn't say for sure if I got the shares before or after, that I don't remember.

Q Well, you bought some shares?

A I bought some shares.

Q Who did you buy them from?

A It was sent over from some bank to my bank and I picked it up and I paid for it.

Q Yes, who did you deal with to get the shares?

A Well, at that time, I don't recollect real actually but I know the conversation was there was three of us in there, four of us in the office at that time when I bought them, no, actually how it was happened, they said they could pick it up at a dollar and they say to me how much do you want, and





1-B-8

S. Hanen - Clement Ex.

A (Cont.) I said whatever you could spare I will take it, and then they sent me the twenty thousand shares.

Q And the three people you were talking to then were Mr. Hinman, Mr. Tanner and Mr. Superstein?

A I don't know if Tanner was in it at that time or not, but I remember I think Wright was on it.

Q Wright?

A And Mr. Superstein was in there.

Q And Mr. Hinman?

A Mr. Hinman, oh, yes.

Q Yes, those three then?

A That's right.

Q And you can't tell whether this was before or after the million and a half business?

A No, I can't tell that, I don't recollect that.

Q So you were told by one of those three that twenty thousand shares could be obtained?

A No, they didn't say twenty, they didn't say one share, they said there is a block of shares to be bought at a certain price.

Q Without saying how many?

A No, and I said whatever you could spare you could send me over and that's what the spare was, twenty thousand shares, and they sent a draft with it and it was went, paid, you know when I -

Q Please -

A That's right.



1-B-9

S. Hanen - Clement Ex.

Q I understand that part of it, but do you remember who it was that told you that there was a block of shares could be bought?

A That conversation I think, I couldn't say for certain, we all talked about it so who actually said to me I couldn't tell you, I don't remember.

Q It might have been Wright?

A It could be anybody.

Q It could be anybody?

A You know, I can't pin down and say no, it is that fellow, that fellow.

Q Yes?

A I didn't make no notes at that time, if I knew it is going to happen like that I would make notes of it, but I didn't.

Q Yes. Was this discussion in the nature of seeing whether you wanted to join a little syndicate to buy a block of stock?

A That is something to that effect, I will tell you I think it was.

Q And from the talk that went on at that meeting it was your impression that Mr. Hinman and Wright and Superstein were all going together to buy a block of stock?

A I don't know, I think if I recollect, if I am right, I think the one was supposed, later on I find out that the stock was bought from Mr. Wright in the first place.

Q Oh, you mean Wright owned it already?

A Yes.





1-B-10

S. Hanen - Clement Ex.

Q Oh, I see, yes.

A And I think it was bought for a dollar.

Q Yes, so that is some of the original stock then that Wright had acquired some time earlier?

A That's right, that's right.

Q And he was trying to sell some of it off, is that -

A That is the way I understood now, now I may be wrong too.

Q No, I wouldn't suggest you are wrong, I just wanted to see what your recollection is; and your recollection is that what was going to be bought would be coming from Wright rather than directly from the treasury of the company?

A No, it wasn't coming from the treasury, that's for sure.

Q Oh, I see, all right. Did you have anything at all to do with the Edmonton Airport venture of Mr. Superstein?

A No.

Q None. Now, Mr. Hanen, you became interested in Farmers and Merchants Trust Company?

A Yes.

Q And in acquiring that interest you dealt with George Marks?

A Yes.

Q And those dealings with Marks were I think in 1959?

A I think so, somewheres around 1959 or '58, somewheres around, I think '58 or '59.

Q '58, perhaps you are right, yes?

A Yes, somewheres in there.

Q Yes, I think so. Mr. Hanen, let me try to refresh your memory: Mr. Marks in effect bought Farmers and Merchants



1-B-11

S. Hanen - Clement Ex.

Q (Cont.) Trust Company himself at the start, did he not?

A Yes.

Q So when you dealt with him he owned all the shares or practically all the shares?

A Yes.

Q And what was the deal then that you made with Marks?

A Well, the way it start out, you know Fidelity Trust? Fidelity Trust?

Q By name, yes.

A Yes, all right, then I have the charter for that, me and Cliff Walker bought that charter and then Cliff Walker came down to me and he says he was, as far as he considered he went and saw George Marks, and Marks, George Marks said "I build you up and you go down ..." and I said "You don't have to build anybody up.", and -

Q Now, now, take it a little slower, the Court Reporter has to get this down.

A All right.

Q Walker went to Marks, you say?

A I don't know where, he come down to me I said.

Q Oh, and -

A And he told me the story that should open up that Fidelity Trust we going to do better, we go partnership with George Marks.

Q Yes?

A So then I went with him and it was all fixed up, his wages and everything else, it was all arranged beforehand, he





1-B-12

S. Hanen - Clement Ex.

A (Cont.) is going to get wages and we get fifty percent in the company, me and Mr. Walker.

Q We are now talking about Farmers and Merchants, are we?

A That is correct, yes.

Q Yes, in other words Fidelity -

A And then I give them a cheque for seventy-five thousand dollars I paid and Cliff Walker three months later paid me his half, the thirty-seven thousand five hundred, so Cliff Walker was start up with me partnership in it, we got fifty percent, me and Cliff Walker, and fifty percent George Marks.

Q Yes. Now, this was then in 1958, was it?

A That's right.

Q I think so. The company started operating in the first place in Calgary, I believe?

A That's right.

Q Now, Mr. Hanen, on November 15th 1958 Nolan Hinman was employed by the company?

A That's right.

Q How did that come about?

A I couldn't tell you that, I know the deal, Mr. George Marks was the head of the company and he was the muscle brain, let's call it that way, by that I express myself.

Q I understand what you mean.

A All right, and what he did I don't know, when the time he was hiring anybody he never asked me or he never did anything; he was on his own, and that was the arrangement, was that he supposed to run the place according to his own thinking.



1-B-13

S. Hanen - Clement Ex.

Q That is what his wages were for?

A That's right, or wages or whatever his fifty percent partnership, that's right.

Q Well, he got wages -

A That's right.

Q - on top of having fifty percent of the shares?

A That's right, that's right, yes.

Q Yes, so he was running it?

A That's right.

Q Now, you had nothing to do with the engagement of Nolan Hinman?

A I never had any engagement, anything to do with any help that he hired.

Q I see, so that you just know nothing about how that happened?

A No, I don't know.

Q Well, you know that Nolan Hinman was in fact hired?

A Oh, yes, I know that he was working there but there is lots of others were working there too.

Q Yes.

A They had Weisser, John Weisser there, and others, quite a lot of fellows working for the company that time.

Q You mentioned a John somebody working there?

A Well, there is, not, wait, let me see now, that was Hinman, well, he hired quite a lot of men, I know the company had quite a lot of men working there, by the name, what the heck is the name -

Q Well, it isn't very important?





1-B-14

S. Hanen - Clement Ex.

A No, it isn't, no.

Q No. At the time you paid the seventy-five thousand dollars was Farmers and Merchants Trust actually in operation?

A Yes.

Q In Calgary?

A That's right.

Q What kind of a business was it carrying on?

A Trust business.

Q Well, that is a broad term, can you tell me so far as you know what in fact it was carrying on?

A No, I don't.

Q You don't know?

A I know it was supposed to be a licensed trust, they name me trust, you see, and that's about all I can tell you about that.

Q And if in fact it was mostly taking in deposits and investing the deposits -

A That's right, and mortgage I think, and that's more like it.

Q That is more like it, yes. Now, Mr. Hanen, George Marks sued you?

A Yes.

Q And others?

A Yes.

Q By a Statement of Claim in Calgary in August of 1964?

A Yes.

Q And between the time you bought into Farmers and Merchants -

A Yes.

Q - and 1964 -



1-B-15

S. Hanen - Clement Ex.

A Yes.

Q - what happened as far as Marks was concerned. He lived in Calgary for a while, did he?

A He lived in Calgary for a while and then he went to Nassau or Miami, Florida, I think.

Q Yes?

A I don't know where he was but he wasn't -

Q Nassau or Miami, Florida -

A And I think he is in that Miami, Florida, right now, his residence -





1-K-1

S. Hanen - Clement Ex.

Q Well now, he lived in Calgary for a while and was general manager of the business?

A That's right.

Q While he was there?

A That's right.

Q Did the company open a branch office in Saskatchewan?

A Yes.

Q That has since been closed, has it?

A Yes.

Q Then the company went into the Province of Quebec?

A That's correct.

Q And some shareholders and directors were from Quebec after it went into that province, is that correct?

A No, we had, when we opened up, I think, or, after we opened up, we had what they call a governor, he was the vice-president, he was the president of the company in Quebec.

Q Dr. Faribeu or some such name?

A Dr. --- I forget the name.

Q Well, apparently it's not Faribeu, Fauteux?

A Fauteux, a very nice man.

Q Now, did Marks move down and live in Montreal for a while?

A For a while, no, I think he rented an apartment, I think, for a little while and he was there for maybe just a short little while and then he moved back to Nassau from there.

Q You say moved back to Nassau?

A No, he moved to Nassau, I didn't express right.

Q In the meantime the company had opened a branch in Nassau



1-K-2

S. Hanen - Clement Ex.

Q (Cont.) also?

A That's right.

Q And from Nassau then he moved to Miami where he still is?

A That's right.

Q Did you have troubles with Mr. Marks during this period?

A I don't know what you call troubles?

Q Were you satisfied with Mr. Marks' conduct of the business of the trust company?

A No.

Q You were not?

A No.

Q What was the problem, why weren't you?

A I think because he was doing one man's job and nobody else knows what he was doing.

Q I see. Mr. Hanen, you had entered into some sort of an agreement with Marks when you bought a fifty percent interest for \$75,000.00, you had entered into some sort of agreement with him?

A Yes.

Q To arbitrate troubles?

A That's right.

Q And did you call for an arbitration?

A No.

Q Did you not ask Mr. Hinman to intervene to see ---

A No, I never did.

Q I see. Did you ask Nolan Hinman to request Edgar Hinman to get information from Marks?





1-K-3

S. Hanen - Clement Ex.

A No, I never asked anybody to do anything.

Q I see.

A The only thing, if it was done, it was done for the Farmers & Merchants, not for me.

Q Well, I am quite prepared to accept that whatever was done, was for the Farmers & Merchants Trust, my question is did you instruct ---

A No.

Q --- Nolan ---

A No.

Q --- to ask Edgar Hinman to get information?

A The only one I instructed to go down is Gordon Ennis and Gregg, that's the only two people.

Q Gregg is a lawyer?

A Yes, and he was a director of the company too.

Q And he still is, I believe?

A No, he's not any more.

Q Well, he was for a while?

A Yes, he's just about, he's out about two months ago.

Q And Ennis is the accountant?

A Yes.

Q The auditor?

A Accountant, those two went there.

Q If Mr. Hinman intervened, this is nothing of your doing?

A No.

Q Very well. Now, let's come back to the Statement of Claim which was issued in August of 1964, how long before August



1-K-4

S. Hanen - Clement Ex.

Q (Cont.) of 1964 was it since you had seen Marks?

A I don't remember the date, but I think he was in town for a little short period and he come down to see me, that's the last time I ever saw him.

Q That same year, 1964?

A I don't remember, I don't know, I don't remember exactly what date was that, but it was at the time when we had to do with Braemore Lodge, we were partnership in the Braemore Lodge and he come up there and that's the last time I ever saw him.

Q Mr. Hanen, I haven't made any inquiries about Braemore Lodge.

A No, but I am just trying to recollect.

Q Unless you assure me Mr. Hinman was a tenant of the Lodge or something?

A No, what I want to say is I am trying to remind myself what date it was the last time I saw Mr. Marks.

Q You can't say whether it was three months, six months?

A No.

Q Nine months before the action?

A But I did see him once since he left Calgary, let's say that.

Q Just once since he left Calgary?

A That's right.

Q And were you on a friendly basis then?

A No.

Q What was the quarrelling about?

A For not, for not, I think, if I recollect right, in





1-K-5

S. Hanen - Clement Ex.

A (Cont.) connection with the, he took some money from the company and he didn't give me no figures for it.

Q And was this what you had sent Greg and Ennis down to see him about?

A Yes, and he offered to settle that he give us \$100,000.00 to settle the whole thing, and the shares and everything he has, and I told them to take that, but they said they going to --- they going to have more from him, they wouldn't do it, let's put it that way, they wouldn't take it.

Q You mean they wouldn't take it, you mean Marks wouldn't take it?

A No, I went in the office by accident, you know, I went in the office to see them and I heard them talking over the phone where they offered, Gregg or Gordon Ennis offered them \$100,000.00, he said, to settle the whole thing.

Q Now, let's make sure we understand each other, it was Marks that was offering \$100,000.00?

A Yes.

Q To clear the slates?

A That's right.

Q And give up his shares?

A That's right.

Q And not have to account for whatever he took that you said he shouldn't have, is that it?

A That's right, and I said "All right, take it", but they wouldn't do it.

Q The company wouldn't?



1-K-6

S. Hanen - Clement Ex.

A Yes, and then after what happened, he got himself (inaudible) and didn't give us nothing.

Q Well then when the company turned that down, that \$100,000.00 proposal?

A Yes.

Q Apparently he went on the offensive and sued everybody, did he?

A That's right.

Q Is that the way it happened?

A I think, I don't know how, but I know he sued me, Mr. Hinman and all them.

Q Yes, I have a copy of the Statement of Claim here, I am just wondering how it all came about. The last time you saw Marks then was in Calgary and the two of you were in a disagreement about money that Marks had taken out of the company?

A Yes.

Q Is that correct?

A That's correct.

Q You never saw him again?

A No.

Q And suddenly you got the Statement of Claim?

A That's right.

Q But was it in between that time, the last time you saw Marks and the time the Statement of Claim was issued, was it in that period of time that Gregg and Ennis went down to Miami to talk to Marks?





1-K-7

S. Hanen - Clement Ex.

A -- I think he went, he went before that.

Q You think, I see.

A I am more than sure that they went before that.

Q And you can't remember how many months before ---

A No.

Q -- the Statement of Claim it was ---

A No.

Q --- that you saw Marks?

A Still, you know, he never, the claim's still there sitting there yet against me. He took it off from Mr. Hinman and took it off from Nolan, but against me it's still there.

Q Just as a matter of curiosity, Mr. Hanen, may I see the other papers relating to that action? It's the Farmers & Merchants Trust topic. Yes, I think you are right, Mr. Hanen, the action was dismissed only as against Hinman. Has the action progressed at all?

A I don't know, McGillivray represents me and I said "All right, one way or the other", and he said "I don't want to deal with so much garbage". That's the word he used to me, and that's the last I ---

Q I would like to ask you a question or two about a few of these paragraphs in the Statement of Claim, Mr. Hanen, in paragraph 8 it is set out that you paid \$75,000.00, as you have described, for an interest in the venture?

A Yes.

Q And that you told Marks that Farmers & Merchants would be reinstated with the government if Farmers & Merchants hired



1-K-8

S. Hanen - Clement Ex.

Q (Cont.) Nolan Hinman?

A Where in the world, I never read the statement, I don't think it's a word of truth in there, there is nothing never been discussed because whole conversation was Mr. Cliff Walker and me went over there, and it's just like, that's all I paid --- (inaudible) was all fixed up and there was no discussion to hire that fellow, not to hire or anybody else.

Q Well now, is it pretty clear in your mind that you did not meet Mr. Edgar Hinman at all until about 1960?

A Well, that's what I said, I couldn't tell you the date, I don't remember, but this is the first time matter is true, you know, bought the store in Camrose.

Q Must be around about when?

A I don't know, it's quite a while, but it's not, it must be, I can't recollect just now the date, but that's the first time I ever met him, that was those Farmers & Merchants Trust Company after I met him anyway.

Q This is what I was going to ask you, Farmers & Merchants' business came after you had first met Mr. Hinman?

A After I met him.

Q Yes.

A That's right.

Q How long after, do you know, a few months, a year?

A I couldn't say --- maybe a year, maybe six months, maybe more, I don't know, maybe a year and a half.

Q Well, in any event, you are clear in your mind that you





1-K-9

S. Hanen - Clement Ex.

Q (Cont.) didn't tell Marks that he could get the Farmers & Merchants Trust Company reinstated if Nolan Hinman was hired by Farmers & Merchants Trust?

A No, never been a conversation on that or on anything of that kind. If anybody talked to him about that and told him on that, I don't know.

Q Did you ever talk to Mr. Edgard Hinman about your son working for Farmers & Merchants?

A No.

THE COMMISSIONER: His son.

MR. CLEMENT: Pardon?

THE COMMISSIONER: You said "Your son", his son.

MR. CLEMENT: I'm sorry if I confused it.

A I understood what he said, no, didn't.

Q MR. CLEMENT: Never at any time?

A No.

Q Mr. Nolan Hinman progressed satisfactorily in the company, did he not?

A I think so.

Q Well, you know now he is in the position of general manager?

A I didn't put him in there.

Q Who is running the company?

A Well, the guy, the same guy as George Marks was before, he's the one that put him in there.

Q What's his name?

A George Marks is the one that put him general manager, I didn't.



1-K-10

S. Hanen - Clement Ex.  
- Hinman Ex.

Q Marks put him in as general manager and although Marks has left ----

A That's right.

Q --- Mr. Hinman hasn't?

A That's right.

Q All right. You had nothing to do then with Mr. Nolan Hinman going up in the company?

A No.

Q Not at all?

MR. CLEMENT: I think those are the questions,  
thank you.

THE COMMISSIONER: Mr. Friedman?

MR. FRIEDMAN: No questions, sir.

THE COMMISSIONER: Mr. Steer?

MR. STEER: No, sir.

THE COMMISSIONER: Mr. Hinman?

MR. HINMAN: Thank you, my Lord.

MR. HINMAN EXAMINES WITNESS:

Q Mr. Hanen, I just want to clear a few points. I'm not going to ask you your age, but you are getting along in years.

A Yes.

Q Does your memory ever fail you in details?

A No.

Q It doesn't?

A Unless, unless I don't make, I don't make, I don't remember.

Q Do you ever find that your memory of things is not the same as that of other people with whom you deal?





1-K-11

S. Hanen - Hinman Ex.

A I think, better than the other people that I deal.

Q My question was do you ever find that they don't always agree with you as to what took place?

A What do you mean agree?

Q Well, you remember things one way, do you ever find that other people have a different idea?

A We all have different opinions.

Q I think that probably covers it. Now, I want to go from the beginning, we go first to the apartments at Leduc, I think your testimony was that Hinman phoned you that Walker needed money?

A That's right.

Q Had you not talked to Walker about these shares before?

A No.

Q Why do you think I would have phoned you that he needed ---

A Do you ask me? You ask Walker why he did, why ask me?

Q I just asked why you thought I would?

A Well, I don't know, you phoned me up and said Mr. Walker needed some money and would you help him out, and I did help him out, and that's all there was conversation on it.

Q Do you recall whether the money went to Mr. Walker ---

A Yes.

Q -- directly?

A Because cheque was made right here at, for Farmers & Merchants Trust Company, I had an account there and this cheque was made out and Hinman made it, Mr. Nolan Hinman made out the cheque and sent it to Walker.



1-K-12

S. Hanen - Hinman Ex.

Q It didn't go to Reo Investments, that's the point?

A I don't know where it went, but I know the cheque went out from my account because it was charged out to me.

Q But to Mr. Walker, as you remember?

A I couldn't tell you, you asked me a question, I couldn't say for sure, I wouldn't know for sure, I would say yes, but I'm not sure where it went.

Q I think that's all I need on that particular thing. At any rate, you discovered later that you were one of the shareholders in Albertawest?

A Four years later, yes.

Q I'm sorry, Reo Investments. Turning to Albertawest.

A Yes.

Q Do you have any memory of hearing about Albertawest before it was talked over with me at all?

A No.

Q Mr. Superstein didn't mention Albertawest?

A No, this is where I bought, started with that, and afterwards I told my friends about it and I was going to town and started buying, I thought it's going to be another, what they call, Alberta Gas, is going to rain from heaven five-dollar bills.

Q Did I intimate that it might do that?

A No, but this is the talk that was left in my mind.

Q You have said you sent a cheque to the Superintendent, to whom do you think you sent a cheque for shares?

A The shares come in to the bank, draw a draft, I said, to send





1-K-13

S. Hanen - Hinman Ex.

A (Cont.) the cheque and I never even know who the cheque went, but I find out it went to Jake Superstein.

Q All right, we come to the little later deals, did you talk with Mr. Gordon McNab at all about Albertawest?

A Later on, yes.

Q And this is what had led up to the ---

A You know, when I went to see him in connection with a deal, that he going to make a deal with, what his name is, with that people that took it over now?

Q MacMillan Bloedel?

A Yes, that's where I went.

Q I think in your testimony you said that you and perhaps Mr. Superstein were going to put a million and a half dollars --

A That's right.

Q --- in the company for shares?

A That's right.

Q Was that discussed with Mr. McNab?

A No.

Q Was it discussed with me?

A Yes.

Q It was?

A Yes.

Q You mentioned some meeting in an office at which Mr. Wright attended and at which this was discussed, and I think you thought I was there, have you a clear recollection that I was there when something like this was discussed?



1-K-14

S. Hanen - Hinman Ex.

A Mr. Wright was there and I remember Mr. Wright took me downtown, Sun Life or, where it was, I don't recollect.

Q But you, in your memory I was there and talked about this?

A Yes.

Q Now, you mention Sun Life, do you have any memory that I talked about Sun Life?

A I wouldn't say yourself, but all the group together, it was talked about Sun Life, that's what the million and a half went into.





2-P-1

S. Hanen - Hinman Ex.

Q You mentioned, I believe maybe you changed this but, you mentioned a letter from me that they needed a million five hundred thousand?

A I didn't say a letter, I think it was a phone call, if I recollect, one of the two.

Q Well, if you do recollect correctly that I had something to do --

A That's right.

Q -- with informing you of this?

A That's right.

Q I think probably that covers that. Now, this trip to Miami, you made an arrangement, I think you said, that if there were troubles between you and Mr. Marks that they would be referred to me for some type of arbitration, is that right?

A No it wasn't that contract but I never used that.

Q Well but there was such an agreement?

A There was such an agreement, we never exercised it.

Q Now this trip to Miami, on this particular occasion, do you recall that Mr. Ennis and Mr. Hinman were in Nassau?

A I don't know but I know the time they phoned me up that he offered \$100,000.00, Gordon Ennis and Grabb was there.

Q Well, I am referring to another occasion?

A That other occasion I don't know.

Q You weren't aware that they went to Miami? Or, I mean to Nassau?

A If they went to Saskatoon or what they did I don't know.



2-P-2

S. Hanen - Hinman Ex.

A (Cont.) Gordon Ennis and Grabb got the results, they got a \$39,000.00 cheque from him and they offered him \$100,000.00 on top of it and he offered him the shares and everything he had in Calgary, wherever it is, it all goes to the trust company to settle the difference.

Q Now, your testimony is that you didn't request me --

A No.

Q -- to do anything in between?

A No.

Q Did you know that the company paid my expenses to Miami?

A Not me though.

Q Oh no, not you?

A Well, that is what I am talking about.

Q But on behalf of the company?

A I don't know what it is all about. The company did never ask because they had my stock, they had everything, I didn't have anything to say.

Q Well, who was in the company at the time this took place, was the Ross group in it at that time?

A No, it was Mr. Nolan Hinman, Gordon Ennis and they had my voting trust so, I didn't have anything to say in it.

Q Did you ever tell me about the arbitration agreement that you had? With Mr. Marks?

A No, Grabb knows about it but I didn't even know.

Q You didn't tell me about it?

A No.

Q And you didn't even know I went?





2-P-3

S. Hanen - Hinman Ex.

A I don't know where you went, you went to Phoenix and all sorts of places, you asked me to go, don't ask me where I --

Q I went all sorts of places, my question was you didn't even know I went to --

A Well you may well, but not with my confirmation or with my telling I am going to pay for it or do anything for me. That is what I am trying to say.

Q Your memory is then that you didn't request me to go, you knew nothing about it, that I didn't make any report to you about it?

A You didn't give the report to the boys but you gave it to me, they were paying for the trip, is that the idea?

Q I asked you, in your memory, you didn't know I went, you didn't ask me to go, and I made no report to you about it?

A I heard something about that you went there and you come back and say you can't be done nothing and then this is the time when you, after you went there, they took -- you wasn't suing you any more and you wasn't suing no one but it was left Sam Hanen still on the line.

Q Yes, but this was two years later, you were aware that I went then and that I wasn't able to accomplish anything?

A Yes I know that, you didn't accomplish anything.

Q Thank you.

A Now, just a moment, you asked me something, questions, may I ask you something?

THE COMMISSIONER:

No.

A Well all right.



2-P-4

S. Hanen - Hinman Ex.

THE COMMISSIONER: You are giving evidence Mr. Hanen.

Mr. Clement?

MR. CLEMENT: No further questions thank you  
sir.

THE COMMISSIONER: Thank you Mr. Hanen.

MR. CLEMENT: If counsel have no further  
questions and you have no further questions sir, Mr. Hanen's  
home is in Calgary and would like to be excused.

THE COMMISSIONER: Anybody else? Mr. Hanen, you are  
excused. Thank you. Have you any further witnesses Mr.  
Clement?

(WITNESS STEPS DOWN.)

MR. CLEMENT: Oh yes, Mr. Hanen, you may wish,  
as a matter of interest to remain for a while, Mr. Hinman is  
going to call Mr. Superstein now. This is in the nature, sir,  
of reply by Mr. Hinman, he is calling Mr. Superstein.

THE COMMISSIONER: I might say Mr. Hinman and, I am  
saying this for the purposes of the record, that in view of  
the fact that you have elected to give your evidence first,  
you have the privilege of calling any rebuttal evidence,  
either appearing yourself or, in this case, you are calling  
Mr. Superstein, you are aware of that?

MR. HINMAN: Thank you. May I call Mr.  
Superstein then?

JAKE SUPERSTEIN recalled.

THE COMMISSIONER: Mr. Superstein, you understand  
you are still under oath?





2-P-5

J. Superstein - Hinman Ex.

A Yes sir.

MR. HINMAN EXAMINES THE WITNESS:

Q Mr. Superstein, there has been some evidence just given that I approached Mr. Hanen about Alberta West Forest Products. Do you recall that you ever discussed this with him without my presence or knowledge?

A Yes, on this million five I discussed it with Mr. Hanen because he gave me the power of attorney to sign his name on the agreement, by telephone I think.

Q Was I ever any party to any discussions with the company about this million five to your knowledge?

A I don't think so. Possibly you knew about it after we had already signed the agreement. We might have mentioned it to you in passing but not before. We might have discussed it with you.

Q That is as I recall it. Mr. Superstein, did you ever ask me to suggest to Mr. Hanen that he buy shares in this company?

A I would like that question again please?

Q Did you ever ask me to suggest to Mr. Hanen that he ought to buy some shares in Alberta West?

A No, I never asked you to suggest to Mr. Hanen what to buy, what he should.

Q Do you recall a meeting when four of us were in the office when I was present to urge this?

A No. The only meeting that I remember on the Alberta West, I think I mentioned in my testimony the other day, there is



2-P-6

J. Superstein - Hinman Ex.  
- Clement Ex.

A (Cont.) no other meeting that I remember of.

Q Do you recall Mr. Superstein that my evidence was that Mr. Hanen asked me about the stock after the purchase had been made and complaining to me that he didn't get it at the price he anticipated?

A Yes, that is correct but he didn't come in till much later, much much later.

Q That is right but I did mention this to you that he was unhappy about that?

A You told me he was unhappy about the price he paid, yes.

Q But in your memory I had nothing to do with making this sale to him?

A Bill Tanner brought most of this back and forth.

Q But you don't recall that I had anything to do with it?

A Not to the best of my memory. We discussed it, as I said, I mentioned in my testimony just what part you played in pertaining to Alberta West shares and that was to the best of my recollection.

Q Thank you Mr. Superstein.

THE COMMISSIONER: Mr. Clement?

MR. CLEMENT EXAMINES THE WITNESS:

Q Well Mr. Superstein, I am afraid I am not entirely clear about this \$1,500,000.00 aspect of Alberta West. What was the nature of this financing?

A Well it was actually two and a half million, one million two hundred fifty thousand each. There was an agreement drawn up and I think it was with Mr. Hinman and we were going





2-P-7

J. Superstein - Clement Ex.

A (Cont.) to, if and when a successful underwriting would take place --

Q Of shares?

A Of shares; -- either by Sun Life or Gairdner or any other company, we would, Mr. Hanen and I would participate.

Q In the underwriting?

A Yes.

Q Well now then, was this in the nature of a syndicate agreement between you and Mr. Hanen and some others?

A McNab wanted to show the interest that the people of this province had in the development of the natural resources.

Q Yes I see. Supposing Gairdner and Company had undertaken the underwriting of shares?

A We would have had a commitment.

Q From them?

A We gave that, who that agreement was made out to I would think would be Alberta West Forest Products and we made a commitment on behalf of the two of us for \$2,500, 000.00.

Q Worth of shares if there was an underwriting?

A It was all subject. There was no commitment upon us, only subject.

Q And the commitment then of Alberta West would be to sell those shares out of Treasury at the same price?

A That is correct.

Q That they sold to Gairdner and Company?

A Or Sun Life.

Q Or whoever?



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J. Superstein - Clement Ex.

A Yes.

Q So that the underwriting profit that Gairdner and Company would have got would go to you in effect?

A That is right.

Q I understand it now. And you say Mr. Hanen gave you a power of attorney to sign such agreement?

A Yes.

Q And did you use the power of attorney? Did you sign his name for him on that agreement?

A Yes.

Q And because there was no underwriting, nothing happened?

A Nothing.

Q Thank you.

THE COMMISSIONER: Mr. Friedman?

A No questions.

THE COMMISSIONER: Mr. Steer?

MR. STEER: I have no questions.

THE COMMISSIONER: Thank you Mr. Superstein.

A Mr. Commissioner, may I just say a few words or would it not be in order?

MR. CLEMENT: I think sir that what Mr.

Superstein has in mind is something that has been rankling with him for some time, how documents got out of his possession some considerable time ago.

THE COMMISSIONER: I certainly think he is entitled to put it on the record here, certainly.





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MR. CLEMENT:

Well, whatever you say, sir.

A There is not, the only thing I want to touch on, but I do want to say that I am very glad that our great Premier and the Cabinet who, in my opinion, the great Premier will go down as a great statesman, saw fit to call this Inquiry and to air out all these charges which indirectly affected me a great deal and it is with regret that this matter has become a political football at the end and I hope I have given the Commission everything that I have to offer.

THE COMMISSIONER:

Thank you Mr. Superstein.

(WITNESS STEPS DOWN.)

MR. CLEMENT:

Sir, it is on record as far as I can get it that Mr. Walker is no longer resident of Alberta and there are circumstances which have led me to believe he would not come back here if invited and beyond all of that, whatever testimony he might have wouldn't seem to come within the ambit of this Inquiry.

THE COMMISSIONER:

And it is my understanding also that Mr. Marks is no longer a resident of Canada.

MR. CLEMENT:

No, he is living in Miami and that sir then, subject to the request of counsel, is all the evidence which I have to bring before the Inquiry.

THE COMMISSIONER:

Thank you Mr. Clement.

MR. CLEMENT:

I am wrong sir, Mr. Hinman may wish to give further evidence himself in reply.

THE COMMISSIONER:

Yes. Mr. Hinman, do you wish to



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THE COMMISSIONER: (Cont.) give any further testimony?

MR. HINMAN: Nothing further, My Lord.

MR. CLEMENT: If it meets Your Lordship's convenience then, while counsel are not here today, I know one that would like to address you on the matter tomorrow morning and probably two of them.

THE COMMISSIONER: Well, that being the case the Commission will conclude so far as the hearing of any further evidence is concerned and we will resume tomorrow morning at nine o'clock and at this time counsel will have the opportunity of making any submissions they care to make. Also Mr. Hinman, of course, will have the same opportunity.

(At 10:15 A.M. June 4th, A. D. 1968  
the Hearing adjourned.)











